

ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

1500.35B

3/15/95

SUBJ: Relocation Income Tax Allowance (RITA)

1. PURPOSE. All employees who have made a permanent change-of-station (PCS) move with a new duty station reporting date on or after November 14, 1983, are eligible to be paid a RITA. This order contains basic procedures for preparing a RITA claim and filing the claim with the servicing accounting office.
2. DISTRIBUTION. This Order is distributed to the branch level in the FAA headquarters and regions; to the section level at the centers; and to resident directors. A limited distribution is made to all field offices and facilities; and copies are furnished to addressees on the ZAA-388 special distribution list.
3. EXPLANATION OF CHANGES. This Order revises the RITA instructions and provides FAA Form 1500-8, (6/94) Travel Voucher Memorandum for Relocation Income Tax Allowance (RITA) for the relocating employee's use (see appendix 1) and for direct ordering from stock.
4. CANCELLATION. FAA Order 1500.35A, Relocation Income Tax Allowance (RITA), dated February 25, 1988, is cancelled.
5. FORM. FAA Form 1500-8, (6/94) Travel Voucher Memorandum for Relocation Income Tax Allowance (RITA), National Stock Number 0052-00-915-7000 is available at the FAA Depot Stocking Point as of August 1, 1994.
6. BACKGROUND.
 - a. Virtually all employees who have made PCS moves with a new duty station reporting date on or after November 14, 1983, are eligible to be paid a RITA. This allowance was mandated by Public Law 98-151. The allowance is authorized to reimburse eligible employees for SUBSTANTIALLY all of the additional Federal, State, and local income tax liability incurred by the employee (or by the employee and spouse if a joint tax return is filed). The RITA is based on the assumption that the employee will receive the benefit of an income tax deduction for all qualifying moving expense reimbursements.

b. PCS moving expense reimbursements are taxable reimbursements for the RITA entitlement purposes when they are not allowable as moving expense deductions by the Internal Revenue Service (IRS) Code, 26 U.S.C., for tax purposes. The amount eligible for the RITA is the difference between the total of moving expenses paid to the employee (or furnished in kind) and the total of those moving expenses that would have been allowed as a deduction on the employee's tax return in that year. For tax years ending after December 31, 1993, the amount eligible for the RITA is the total of moving expense reimbursements included in compensation on the W-2.

c. The IRS Code, 26 U.S.C., Section 217; the IRS Publication 521, Moving Expenses; and appropriate State and local tax authority publications provide additional information on the taxability of, and allowable tax deductions of, moving expense reimbursements.

d. A Withholding Tax Allowance (WTA) may be paid on the employee's behalf by the FAA each time the employee is reimbursed for moving expenses subject to Federal tax withholding. An employee's failure to submit FAA Form 1500-8 to the servicing accounting office by June 30 after the end of the calendar year(s) in which the employee received the moving expense reimbursements will result in an employee liability to the Federal Government for the repayment of the entire WTA.

7. PROCEDURES.

a. Each qualifying relocating employee is to complete the attached FAA Form 1500-8 blocks 1 through 14 and, if applicable, blocks 15 and 16.

b. The employee and, if applicable, spouse should sign and date the form, but leave the "Amount Claimed" area blank. The amount claimed will be computed by the servicing accounting office.

c. The employee is to submit the completed FAA Form 1500-8 with the required attachments (W-2 forms, Schedule SE, etc.) to the servicing accounting office by June 30 after the end of the calendar year(s) in which he/she receives the moving expense reimbursements.

d. The RITA entitlement is earned on a calendar year basis and is computed for each calendar year in which the employee receives PCS reimbursements. If an employee receives PCS reimbursements in more than 1 calendar year, the employee is to submit a completed FAA Form 1500-8 with the required attachments for each calendar year in which PCS reimbursements are received.

e. An employee who receives reimbursements for more than one qualifying move within a calendar year is to notify each servicing accounting office involved by sending them the required FAA Form 1500-8 with attachments for each qualifying move.

8. FAA FORM 1500-8, TRAVEL VOUCHER MEMORANDUM FOR RELOCATION INCOME TAX ALLOWANCE (RITA), PROCESSING.

a. The accounting office that handled the PCS move will compute the RITA entitlement and forward the results to the employee at the mailing address listed in block 5 of the FAA Form 1500-8.


b. Employees are advised that RITA entitlements may be applied to offset delinquent travel advances and other outstanding debts owed to the agency by the employee.

c. Employees are advised that the claim will be processed as quickly as the current workload situation permits. Any questions are to be directed to the servicing accounting office that handled the PCS move.



E. M. Keeling
Director of Accounting

**APPENDIX 1. TRAVEL VOUCHER MEMORANDUM FOR
RELOCATION INCOME TAX ALLOWANCE (RITA)**

|  Travel Voucher Memorandum for Relocation Income Tax Allowance (RITA) | | | |
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| Privacy Act Statement: The authority for collecting this information is found in the Federal Travel Regulations, Chapter 302-11 and Executive Order 9397. The information requested is needed to determine payment for or reimbursement of allowable expenses and to record and maintain costs of such reimbursement. Information may be disclosed to civil agencies under certain circumstances. Other routine uses of this information are published in the description of the Privacy Act System DOT/FAA 806, Federal Aviation Administration Employee Payable System. The collection of information is MANDATORY, and failure to provide pertinent information may result in delay or loss of reimbursement. | | | |
| 1. Federal Aviation Administration Office or Division | | 2. Type of Travel — Permanent Change-of-Station (PCS) 2a. PCS Order Number : | 3. Employee's Reporting Date / / |
| Traveler Payee | | | |
| 4. Name (Last, First, Middle Initial) | | 6. Social Security Number | 7. Accounting Classification: |
| 5. Street Mailing Address | | 8. New Residence (Specify City/State at new Duty Station) | |
| City | State | ZIP | 9. Present Duty Station (Incl. Office Telephone & Route Symbol) |
| 10. I am enrolled in: <input type="checkbox"/> Civil Service Retirement System (CSRS) <input type="checkbox"/> Federal Employees Retirement System (FERS) | | | |
| 11. I certify that this voucher is true and correct to the best of my knowledge and belief, and that payment or credit has not been received by me. I understand that if the RITA calculation results in a negative amount, I am obligated to repay the excess amount as a debt due to the Federal Government. I (we) certify the information in the bottom of this form is true and accurate to the best of my (our) knowledge. I (we) agree to notify the accounting office of any changes to the above (i.e., from amended tax returns, tax audits, etc.) so that appropriate adjustment to the RITA can be made. The required supporting documents are attached. Additional documents will be furnished, if requested. I (we) further agree that if the required 12-month service agreement is violated, the total amount of the RITA will become a debt due the United States Government and will be repaid according to agency procedures. | | | |
| Certification Statement: I certify that the information is true and accurate to the best of my knowledge. The following information, which is to be used in calculating the RITA to which I am entitled, has been (or will be) shown on the income tax returns filed (or to be filed) by me (or my spouse and me) with the applicable Federal, State and local tax authorities for the tax year _____ | | | |
| 12. Filing Status: My filing status as indicated on my tax returns for the above cited tax year is/was: (Check one of the following) <input type="checkbox"/> Single <input type="checkbox"/> Married Filing Joint Return (or as a surviving Spouse) <input type="checkbox"/> Head of Household <input type="checkbox"/> Married Filing Separate Return <input type="checkbox"/> Qualifying Widow(er) (with dependent child) | | | |
| 13. Income: My Gross Compensation - As shown on the Attached IRS Form(s) W-2, and if applicable, net earnings (or loss) from self-employment income shown on the Attached Schedule SE for the above cited tax year (insert amount(s) in the following): (Do Not Include Annuity or Interest Income) | | 14. State Information: I (we) incurred a State income tax liability on my PCS reimbursements for the above cited year: A. _____ State of residence (at new duty station) B. Did you pay taxes to more than one state on the same PCS reimbursements? <input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes, please explain) | |
| Form(s) W-2 | | Schedule SE | |
| A. Employee.....1. \$ | | 3. \$ | |
| B. Spouse (if filing jointly)2. \$ | | 4. \$ | |
| C. Total Earned Income (1,2,3, & 4) \$ | | | |
| 15. Local Income Tax Information. (not applicable in most cases) (Attach copies of the filed local income tax forms) I (we) incurred a local income tax liability on my PCS reimbursements to the following tax authority for the above cited year: _____ Note: A Local Income Tax, is defined as a tax, imposed by a recognized city or county tax authority, that is deductible for Federal income tax purposes as a local (city or county) income tax under section 164(a)(3) of the Internal Revenue Code (IRC); except that for employees transferred on or after November 14, 1983 through October 11, 1984, local income tax shall be construed to mean a city income tax. | | | |
| 16. (not applicable in all PCS moves) I am eligible for a RITA adjustment since I relocated to a State which does not allow deduction of some or all moving expenses. Since I qualify for the RITA adjustment, I am submitting the following claim for my RITA adjustment. "I am submitting this claim during 19 ____ for a RITA adjustment along with my original RITA claim for the same reimbursement period. Reimbursements for this move were paid in 19 ____ and 19 _____. For each year I received PCS reimbursement, I certify that the amounts indicated below were not deductible for State income tax purposes." List applicable items and amounts. | | | |
| A. _____ \$ | | D. _____ \$ | |
| B. _____ \$ | | E. _____ \$ | |
| C. _____ \$ | | F. _____ \$ | |
| Employee (Traveler) Signature | | Spouse's Signature (if filing jointly) | Date |
| | | | Amount Claimed \$ |
| NOTE: If a joint filing status is claimed and spouse's income is included, the spouse must sign the statement. If spouse does not sign the document, earned income will include only the employee's income. This condition will not apply if an employee is allowed under IRS rules to file a joint return as a surviving spouse. | | | |

FAA Form 1500-8 (6-94)

Send Original to Servicing Accounting Office
Employee: Retain a Copy for your File

NSN: 0052-00-915-7000